(b) if so, what are the reasons therefor?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) No, Sir.

(b) Does not arise.

Devaluation of Rupee

143. SHRI CHITTA BASU:
SHRI RASHEED MASOOD:
SHRIMATI RENUKA CHOWDHURY:
SHRIMATI BIJOYA CHAKRAVARTY:
SHRIMATI RATAN KUMARI:
SHRI CHIMANBHAI MEHTA:
SHRI AJIT SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the latest report of the World Bank has urged India to devalue the rupee against leading currencies;

(b) if so, what is the reaction of Government thereto;

(c) whether it is also a fact that there has been a steep fall in the value of rupee against leading currencies for the last five years; and

(d) if so, what are the details thereof and steps taken to arrest the fall in rupee value?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) No, Sir.

(b) Does not arise.

(c) and (d) The exchange rate of the rupee is fixed with reference to the daily exchange rate movement of suitably weighed basket of currencies mainly of countries which are India's major trading partners. Thus in a regime of floating exchange rates, the value of rupee moves upward or downward depending on fluctuations in other currencies in the basket.

The movement in the value of Indian Rupee *vis-a-vis* some major international currencies for the last 5 years is indicated in the statement placed below.

MOVEMENT IN THE VALUE OF INDIAN RUPEE VIS-A-VIS MAJOR FOREIGN CURRENCIES

(Rs. Per Unit of Foreign Currency/SDR)

(Annual Averages)

	Currency	1983-84	1984-85	1985-86	1986-87	1987-88* (April 1987 January 1988)
1	SDR	10.9406	11.9328	12.9232	15.4472	16.9898
2	U.S. DOLLAR	10.3400	11.8886	12.2349	12.7782	12.9550
3	U.K. POUND	15.4174	14.8668	16.8467	19.0722	21.8295
4	DEUTSCHE MARK	3.9402	3.9877	4.5553	6.2970	7.3361
5	JAPANESE YEN	0.0438	0.0487	0.0562	0.0802	0.0926
6	BELGIAN FRANC	0.1951	0.1994	0.2247	0.3049	0.3526
7	FRENCH FRANC	1.2991	1.3006	1.4908	1.9290	2.1881
8	SWISS FRANC	4.8229	4.7797	5.4688	7.6068	8.8995
9	ITALIAN LIRA	0.0065	0.0065	0.0068	0.0091	0.0101
10	CANADIAN DOLLAR	8.3434	9.0066	8.8892	9.3095	9.8274

*Average of first 10 months.